

CITY OVERVIEW

FY04 Adopted Budget

City Government Organization

The City of Springfield, incorporated in 1885, is a home rule charter City. This charter is the basic law under which the City operates. Amendments to the charter can only be made by a vote of the people and can be placed on the ballot by the Council or by the voters through an initiative process. The City of Springfield has a Council-Manager form of government.

The **Mayor** is the formal representative of the City of Springfield and is elected to a four-year term by the voters at large on a non-partisan ballot. The Mayor presides over Council meetings and does not vote, except in the case of a tie. The Mayor can veto any Council decision, but a two-thirds vote of the Council can override the veto. As the chief elected officer, the Mayor is responsible for providing political and policy leadership for the community.

The six-member **City Council** sets overall City policy and goals. The City Council also makes laws, or ordinances, which govern the City of Springfield. Councilors are nominated from one of six wards and are elected at large for four-year staggered terms. Councilors are elected to represent citizens' interests on the Council. The Council takes official action at regular Council meetings which are open to the public. The Council supervises, and is responsible for selecting, the City Manager.

The **City Manager** supervises the operations of all City departments. City departments include the City Manager's Office, Development Services, Finance, Fire and Life Safety, Human Resources, Information Technology, Legal and Judicial Services, Library, Police and Public Works Departments. As chief administrator, the City Manager has no vote in the Council, but may take part in discussions of matters coming before the legislative body.

Citizen Involvement

Our **citizens** are the most important part of the City organization. City services are directed to meet the needs of the citizens. Public hearings are held so that citizens can contribute to the planning and budgeting process of the City. Citizens may express their concerns and requests to their representatives on the City Council, City Budget Committee and other City committees. Citizens are also encouraged to attend the various public hearings held regarding City actions. Notices of all City public hearings are published in the *Public Notice* section of the Springfield News. Upcoming meeting agenda items are listed in the City Region section of the local newspapers.

Comments may also be submitted at any time by the following methods:

In person: Business hours: 8:00 a.m. to 5:00 p.m., Monday – Friday

Calling: City Manager's Office
(541) 726 – 3700
(541) 726 – 2247 (TDD)
(541) 726 – 2363 (Fax)

Writing: City Manager's Office
City of Springfield
225 Fifth Street
Springfield, Oregon 97477

E-mail: cmo@ci.springfield.or.us

For a more extensive list of contacts (such as the Mayor, Council and/or City Departments) please visit our website at:

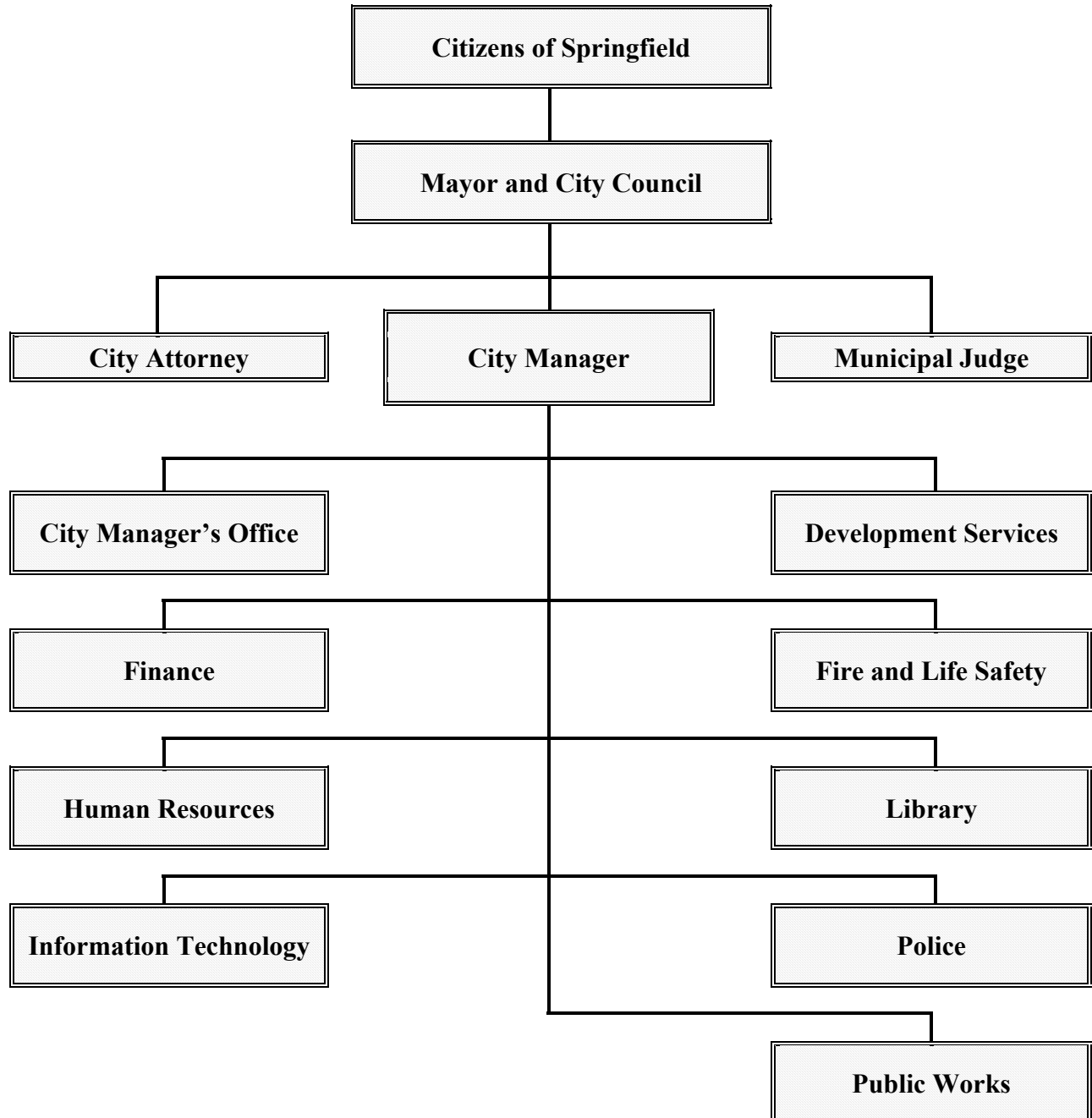
<http://www.ci.springfield.or.us/contacts>

Budget Committee Meeting Schedule

Date	Time/Place	Tentative Agenda Items
Tuesday April 29, 2003	6:30 p.m. Library Meeting Room	Election of Officers Presentation of FY04 Proposed Budget Public Hearing – use of State Revenue Sharing Funds Presentation of Capital Improvement Projects
Wednesday May 07, 2003	5:30 p.m. Library Meeting Room	Public Input Department Presentations
Tuesday May 13, 2003	5:30 p.m. Library Meeting Room	Public Input Presentations from Outside Agencies Department Presentations Deliberations
Thursday May 22, 2003	5:30 p.m. Library Meeting Room	Identification of Additional Issues Deliberations on Outstanding Issues Approve a Recommended FY04 Budget
Monday June 16, 2003	7:00 p.m. Regular Session City Council Chambers	Public Hearing and Council adoption of FY04 Annual Budget

CITY OF SPRINGFIELD

Organization Chart



City Services

Under the direction of the City Manager, nine departments and one service area provide services to the citizens of Springfield: City Manager's Office, Development Services, Finance, Fire and Life Safety, Human Resources, Information Technology, Legal and Judicial Services, Library, Police and Public Works Departments.

City services are summarized into four broad program categories:

- 1.) Community Development Program
- 2.) General Government Program
- 3.) Library Program
- 4.) Public Safety Program

Community Development Program includes the services provided by two departments: Development Services and Public Works. Examples of services provided by the Community Development Program include Economic Development, Planning, Streets, and Sanitary. Please refer to the Operating Budget by Program section of this document for more detailed information about the Community Development Program.

General Government Program includes the services provided by four departments: City Manager's Office, Finance, Human Resources and Information Technology. Examples of services provided by the General Government Program include Council support, Municipal Court, oversight and preparation of the annual budget, managing vehicle and equipment replacement resources, employee benefits, compensation, and risk management needs of the organization. Please refer to the Operating Budget by Program section of this document for more detailed information about the General Government program.

Library Program includes the service provided by the Library Department. Examples of services provided by the Library Program include internet access to learning materials, reference assistance and research, securing materials from another library (interlibrary loan) that the citizen may be interested in reviewing. Please refer to the Operating Budget by Program section of this document for more detailed information about the Library Program.

Public Safety Program includes the services provided by two departments: Fire and Life Safety and Police Services. Examples of services provided by the Public Safety Program, beyond life protection efforts, include FireMed Membership Program administration and the centralized point for emergency calls and dispatch. Please refer to the Operating Budget by Program section of this document for more detailed information about the Public Safety Program.

The Budget Process

Purpose of an Annual Budget

The budget represents the financial plan of the City. It is a policy tool for the Mayor and City Council to express the targets and priorities for the next fiscal year and an implementation tool that

translates the targets into action plans which are reflected in each program's goals, objectives and performance measures.

The budget serves other functions as well. It is a financial tool which enables the City to allocate its resources. As a public document, it is a tool for elected officials and administrators to communicate decisions to the citizens and staff. As a decision-making document, staff uses the budget both as an accounting tool to ensure financial integrity and a management auditing tool to measure performance.

Budget Process Overview

Oregon's local budget law, as set forth in Chapter 294 of the Oregon Revised Statutes, requires local governments to prepare and adopt an annual budget. The law establishes standard procedures for preparing, presenting, and administering the budget. The law requires citizen involvement in the preparation of the budget and public disclosure of the budget before final adoption.

Preparation

The City of Springfield operates on a fiscal year calendar (July 1 to June 30 of the following year). Preparation of the City budget usually begins in January by projecting annual resources and requirements for the fiscal year. Resources include revenues received in the current fiscal year, such as property tax receipts, user fees, grants and inter-governmental revenues and cash working capital carried forward from the previous fiscal year. Requirements include wage increases, inflationary increases for materials and services and other known costs. This comparison of resources and requirements provides the context in which the Budget Committee provides policy direction for the preparation of the budget.

Before City staff commences the preparation of the budget, the Budget Committee is asked to establish general guidelines that will govern the preparation process. After the Budget Committee approves the guidelines, staff prepares a proposed budget which the City Manager presents to the Budget Committee, usually in April.

The Budget Committee, consisting of the City Council and an equal number of citizens, reviews and revises the budget during a series of meetings in April and May. After the Budget Committee approves the budget, it is forwarded to the City Council for final adoption, usually in late June. A summary of the budget is published in the local newspaper prior to a City Council public hearing. The City Council has final authority to adopt or change the budget. If a change occurs during the review and adoption of the budget (after the public notice of the budget) which increases the property tax levy or increases expenditures in any fund by more than 10%, the budget must be referred back to the Budget Committee.

The City's budget process is also affected by several other budget processes. These include the Metropolitan Wastewater Management Commission (MWMC) budget, allocation of Community Development Block Grant (CDBG) funds, Joint Social Services funding, Transient Room Tax allocation and the five-year Capital Improvement Program.

Lastly, City Financial Policies and Operating Guidelines (see the City Overview of this budget document for details) influences the recording of costs and establishing the budget appropriations.

City of Springfield Annual Budget Process and Timeline

A summary of the City's annual budget process timeline is as follows:

December, 2002	<ul style="list-style-type: none">◆ Citizen members of the City of Springfield Budget Committee appointed by Council◆ City of Springfield Five Year Capital Improvement Program update begins
December, 2002 – January, 2003	<ul style="list-style-type: none">◆ Springfield City Council adopts goals for next fiscal year◆ Budget Committee meets to provide guidance to City Manager
January – March, 2003	<ul style="list-style-type: none">◆ City Council adopts Five Year Capital Improvement Program◆ City Council reviews Community Development Block Grant projects for budget preparation◆ Metropolitan Wastewater Management Commission (MWMC) prepares and presents its annual budget, via administrative support from the City of Springfield, to City of Eugene and Lane County Budget Committees for approval◆ City Manager prepares the recommended FY04 Proposed Budget for Budget Committee consideration
April, 2003	<ul style="list-style-type: none">◆ City Manager's budget message and Proposed Budget presented to Budget Committee◆ Budget Committee meets and deliberates on Proposed Budget
May, 2003	<ul style="list-style-type: none">◆ Budget Committee recommends its FY04 Approved Budget to City Council
June, 2003	<ul style="list-style-type: none">◆ City Council holds hearings and adopts the FY04 Annual Budget
July, 2003	<ul style="list-style-type: none">◆ FY04 Adopted Budget implemented and Tax Levy certified

In addition to the publication of meetings in the Springfield News, budget information is available at the Springfield City Manager's Office, at each Budget Committee meeting, and at the City Council meetings.

Copies of the budget are located in the Springfield Library and Finance Departments.

Adjusting the Adopted Budget

The budget may be amended during the fiscal year. Amending a budget means that the original resolution adopted by Council will be changed based on more updated information and/or unanticipated revenues or expenditures occurring after adoption. Changes to the original resolution that alter legal spending levels must be approved by City Council before any action can occur. Changes to the resolution are processed through supplemental budget action.

A supplemental budget must be prepared and adopted before any expenditures are made in excess of their legal budget appropriation. In all cases, regardless of whether estimated expenditures in the supplemental budget exceed 10% of the expenditures in the fund being adjusted, the City of Springfield holds regular meetings (public meetings) to adopt all supplemental budgets.

Notices of all budget hearings are published in the Springfield News using guidelines in the Oregon Budget Law manual. Public hearings are also held on the possible use of State Revenue Sharing funds.

The City's Financial Structure

Municipalities such as the City of Springfield incur expenditures only for the purposes and amounts approved by the City Council. The City must present any change that alters the original appropriation resolution act to the City Council for approval in advance of any change being made. Information generated from the City's fund accounting system presents information according to Oregon Local Budget Law and manages its finances according to Generally Accepted Accounting Principals (GAAP). Accounting in private businesses and accounting in governments are different in terms of what the entities measure. Governmental accounting measures the City's financial results of spending and service delivery decisions made and/or proposed by the City. Businesses focus on the ability of the entity to generate profits.

Fund Accounting

The City uses a fund accounting system to measure actual results. The fund accounting system groups revenues and expenditures together into accounting reporting units called "funds." Each City fund is distinct and is segregated for the purpose of carrying on specific activities within that fund. Each fund is a set of self-balancing accounts recording all assets, liabilities, and residual equities. Changes that occur within those accounts are also accounted for using the modified accrual basis of accounting. In general, this basis of accounting recognizes revenues in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

The City of Springfield groups funds into two broad fund categories – **Government Fund Category** and **Proprietary Fund Category**. Funds are further categorized into six generic fund types: General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Enterprise Funds and Internal Service Funds. For specific descriptions of the City Fund Types, please see the Financial Summaries and Statistical Tables section of this document.

Overall View of the City's FY04 Adopted Budget

The City of Springfield FY04 Total Adopted Budget is \$138,847,240 and 398.80 FTE. The total FY04 Adopted Budget and a comparison of the FY04 Adopted Budget to the FY03 Adopted Budget are provided below. Overall, the total budget declined by \$6,382,570 and FTE increased by a net 22.85 FTE. Details to the changes are clarified in the sections that follow.

	FY04 Adopted	FY03 Adopted	Dollar Change	Percent Change
Total Resources:	<u>\$138,847,240</u>	<u>\$145,229,810</u>	<u>(\$ 6,382,570)</u>	<u>(4.4%)</u>
Total Requirements:				
Department Operating Budget	\$ 54,852,577	\$ 50,958,804	\$ 3,893,773	7.6%
Capital Budget	\$ 24,467,599	\$ 23,873,030	\$ 594,569	2.5%
Non Department Budget	<u>\$ 59,527,064</u>	<u>\$ 70,397,976</u>	<u>(\$ 10,870,912)</u>	<u>(15.4%)</u>
Total Requirements:	<u>\$138,847,240</u>	<u>\$145,229,810</u>	<u>(\$ 6,382,570)</u>	<u>(4.4%)</u>

Resources: Total City Revenues, All Funds

Resources are the total of current revenues and cash carryover from prior years. Total resources to the City must equal total requirements. The total FY04 resources are \$138,847,240.

Following is a list of the City's total resources by major sources of revenues for the FY04 Adopted Budget compared to the FY03 Adopted Budget. (For more information regarding revenues, see also the Financial Summaries and Statistical Tables section of this document.)

Major Sources of Revenues, All Funds

Revenues, Summary Level	FY04 Adopted	FY03 Adopted	Dollar Change by Type	Percent Change by Type
Taxes (Current and Delinquent) (*)	\$ 16,931,165	\$ 13,789,638	\$ 3,141,527	22.8%
Licenses, Permits and Fees (*)	\$ 2,979,877	\$ 2,354,562	\$ 625,315	26.6%
Intergovernmental	\$ 8,068,005	\$ 8,717,112	\$ (649,107)	-7.4%
Charges for Service	\$ 26,773,004	\$ 26,587,971	\$ 185,033	0.7%
Fines and Forfeitures	\$ 886,498	\$ 906,292	\$ (19,794)	-2.2%
Use of Money and Property (*)	\$ 2,449,506	\$ 5,903,188	\$ (3,453,682)	-58.5%
Special Assessments (*)	\$ 2,515,200	\$ 767,800	\$ 1,747,400	227.6%
Miscellaneous Receipts	\$ 2,105,038	\$ 1,874,426	\$ 230,612	12.3%
Other Financing Sources (*)	<u>\$ 13,725,315</u>	<u>\$ 26,184,627</u>	<u>\$ (12,459,312)</u>	<u>-47.6%</u>
Subtotal: Current Revenues	\$ 76,433,608	\$ 87,085,616	\$ (10,652,008)	-12.2%
Cash Balances - Cash Carryover	<u>\$ 62,413,632</u>	<u>\$ 58,144,194</u>	<u>\$ 4,269,438</u>	7.3%
Total Resources, All Sources	<u>\$ 138,847,240</u>	<u>\$ 145,229,810</u>	<u>\$ (6,382,570)</u>	<u>-4.4%</u>

(*) see the following section titled "Significant Changes by Revenue Type" for detail to the basis of these changes from FY03 to FY04.

Significant Changes by Revenue Type, All Funds

Taxes

	FY04 Adopted	FY03 Adopted	Dollar Change by Type	Percent Change by Type
Taxes (Current and Delinquent)	\$ 16,931,165	\$ 13,789,638	\$ 3,141,527	22.8%

FY04 Adopted Tax revenue of \$16,931,165 is 22.2% of the total City current resources. It is the second largest revenue to the City and therefore is a primary source of revenue. As indicated in the above table, the growth in taxes from FY03 to FY04 was 22.8% or \$3,141,527. The General Fund taxes make up \$441,571 of the \$3,141,527 overall growth (General Fund taxes grew by 3.8% in FY04). The significant reason for the amount of increase from FY03 was the passage of voter approved four year local option levies which will contribute \$2,595,043 in additional funding. FY04 is the first year of the four year levy (FY04 through FY07).

The following is a detail list of the sources of tax revenue (includes delinquencies):

Tax Revenue Source*	FY04 Adopted Budget
General Fund tax revenue current	\$ 11,942,990
General Fund tax revenue delinquent	\$ 410,000
Fire Local Option Levy tax revenue	\$ 932,200
Police Local Option Levy tax revenue	\$ 1,662,843
Bond Sinking Fund	\$ 1,031,382
Bond Fund delinquencies	\$ 20,000
911 Tax	\$ 250,000
Transient Room Tax	\$ 681,750
Total	<u>\$ 16,931,165</u>

* For additional detail information regarding tax revenues, see "FY04 Assessed Valuation: Levy and Tax Information" in the Financial Summaries and Statistics section of this budget document.

New Levies Passed by Springfield Voters to Provide Dedicated Funding for Fire and Police Enhanced Services

In November, 2002, City of Springfield voters passed two public safety measures – one for Fire Services and one for Police Services.

Overall, funding from the two levies provided the following:

Local Option Levies	Amount	FTE
Fire Services operating costs	\$ 932,200	9.0 FTE
Fire Services Local Option Levy Funding	\$ 932,200	

Local Option Levies - continued	Amount	FTE
Police Services operating costs	\$1,462,312	20.0 FTE
Police Services dedicated reserve	\$ 29,875	
Legal and Judicial services	\$ 170,656	2.0 FTE
Police Services Local Option Levy Funding	\$1,662,843	
Total Funding Provided by New Levies	\$2,595,043	31.0 FTE

Detail by Type of Costs Funded:

Departmental Operating costs	\$2,565,168	31.0 FTE
Dedicated Reserves	\$ 29,875	
Total Funding Provided by New Levies	\$2,595,043	31.0 FTE

Note that Fire Service Contracts added \$75,000 fire services funding. Of this, \$2,600 supports fire operating costs and the balance of \$72,400 established a reserve in the fund. For more detail on specific funding, see the Program Budget, Fire, Police and Legal/Judicial Services pages in this budget document and see Financial Summaries and Statistics section for methodology on determining tax revenue for FY04.

Licenses, Permits and Fees

	FY04 Adopted	FY03 Adopted	Dollar Change by Type	Percent Change by Type
Licenses, Permits and Fees	\$ 2,979,877	\$ 2,354,562	\$ 625,315	26.6%

The FY04 Adopted Budget amount for Licenses, Permits and Fees revenue is 3.9% of the City's total current revenue. As indicated in the above table, the growth in this revenue from FY03 Adopted to FY04 Adopted is 26.6% or \$625,315. The General Fund portion of the total growth is \$518,350 of the \$625,315. Of this amount, \$305,420 is due to Franchise Fee increases and \$212,930 is due to all other licenses, permits and fee changes (see General Fund revenues for more detail). Other contributing changes include the additions of: \$24,000 in a new Right Of Way Permit Fee revenue (Street Fund); \$75,000 in a new Peer Review Fee recognizing the revenues to the new Riverbend Development Fund; and \$7,965 increase in existing Pretreatment Permits revenue to the Regional Wastewater Fund.

Use of Money and Property

	FY04 Adopted	FY03 Adopted	Dollar Change by Type	Percent Change by Type
Use of Money and Property	\$ 2,449,506	\$ 5,903,188	\$(3,453,682)	-58.5%

The FY04 Adopted Budget amount for Use of Money and Property revenue is 3.2% of the City's total current revenue. As indicated in the above table, the decline in revenue from FY03 Adopted to FY04 Adopted is a reduction of \$3,453,682 which represents a negative growth of 58.5%. This decline resulted from two primary changes in projections: a drop in interest rates reduced interest income projections by \$167,333 and the non recurrence of a one time sale of City asset recorded in FY03 represents a \$3,200,000 decline in FY04 (Gateway Sports Center Sale). (All other net fund changes contributed a reduction of \$86,349 from FY03).

Special Assessments

	FY04 Adopted	FY03 Adopted	Dollar Change by Type	Percent Change by Type
Special Assessments	\$ 2,515,200	\$ 767,800	\$ 1,747,400	227.6%

The FY04 Adopted Budget amount for Special Assessments revenue is 3.3% of the City's total current revenue. As indicated in the above table, the growth in revenue from FY03 Adopted to FY04 Adopted is \$1,747,400 or a 227.6% increase over FY03 Adopted Budget. Of this increase, \$1,750,000 is the establishment of one-time revenue to be received from the developer share of Jasper Road Sewer project. Without this revenue item, the overall category would reflect a decline of \$2,600.

Other Financing Sources

	FY04 Adopted	FY03 Adopted	Dollar Change by Type	Percent Change by Type
Other Financing Sources	\$ 13,725,315	\$ 26,184,627	\$(12,459,312)	-47.6%

The FY04 Adopted Budget amount for Other Financing Sources revenue is 17.9% of the City's total current revenue. FY04 revenue reduction of \$12,459,312 or 47.6% decline from FY03 Adopted Budget represents the largest dollar change in revenue sources to the City. The primary contributing factor to the material decline in revenues was due to the elimination of one time transfers totaling \$11,653,519 and a reduction of \$1,664,233 in capital support required. In addition, a \$681,000 increase in Employee Benefits revenue to the Insurance Fund and an increase of \$177,440 in other minor changes are as follows: an increase of \$179,803 (or 6.4% total increase for these sources for the General Fund) in indirect charges (\$71,337) and interfund revenues from other funds (\$108,466); and changes to all other funds totaling a reduction of \$2,363. Specifically:

Elimination of one-time transfers: \$11,653,519 reduction

In prior budget years including FY03, certain Systems Development Charges (SDC) revenues resided in non specific SDC Funds. In our FY03 Adopted Budget, the City established separate reporting funds for Systems Development Charges (SDC) revenues and expenditures. FY03 represents the fiscal year that SDC activities were transferred to the appropriate newly designated SDC fund. This segregation of SDC activities is in compliance to GASB 34. In that the correction required one time transfers only, these transfers were not required in FY04.

Change in capital support required: \$1,664,233 reduction

A reduction in transferred resource needs for capital requirements in the Regional Wastewater and Street Capital Funds totaled \$1,664,233.

Changes in existing amounts: \$858,440 increase

An increase of \$681,000 is due to Insurance Fund Employee Benefits increase; \$179,803 increase is the overall net growth in reimbursement revenues to the General Fund and \$2,363 reduction is all other fund changes.

Requirements: Total City Expenditures, All Funds

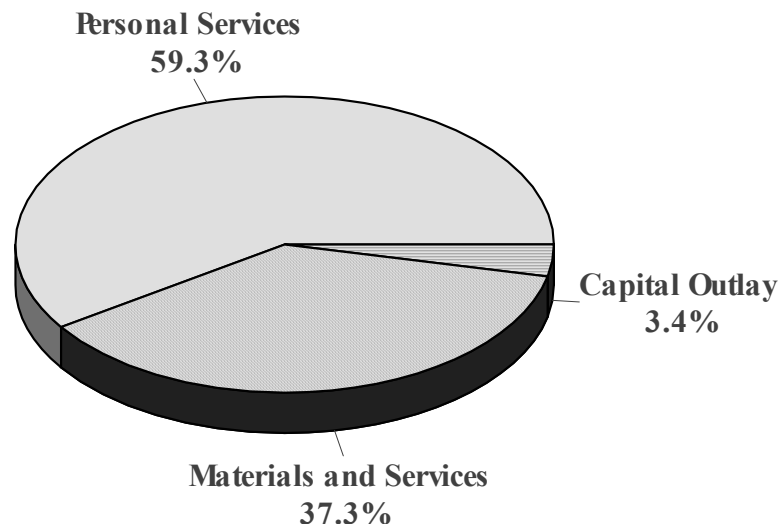
Requirements consist of total expenditures: departmental operating, capital, non departmental (operating and non operating) budgets.

The Total City Expenditures, all funds is as follows:

Expenditures by Category	FY04 Adopted	FY03 Adopted
Personal Services	\$ 32,552,903	\$ 28,627,810
Materials and Services	\$ 20,453,393	\$ 19,739,234
Capital Outlay	\$ 1,846,281	\$ 2,591,760
Departmental Operating Budget	\$ 54,852,577	\$ 50,958,804
Capital Projects	\$ 24,467,599	\$ 23,873,030
Non Department	\$ 59,527,064	\$ 70,397,976
Total	\$ 138,847,240	\$ 145,229,810

Departmental Operating Budget

The FY04 Departmental Operating Budget is 39.5% of the Total City Budget. Operating budgets are the costs of delivering key City services to our citizens. Departmental operating budgets represent the costs of the City's personal services, materials and services and capital outlay requirements. The breakdown by the percentage of costs by operating component is listed in the below pie chart.



The total FY04 operating budget and a comparison to the FY03 Adopted Budget are provided below.

Category, All Funds	FY04 Adopted Budget	FY03 Adopted Budget	Percent Change
Personal Services	\$ 32,552,903	\$ 28,627,810	13.7%
Materials and Services	\$ 20,453,393	\$ 19,739,234	3.6%
Capital Outlay	\$ 1,846,281	\$ 2,591,760	(28.8%)
Total Operating Budget	<u>\$ 54,852,577</u>	<u>\$ 50,958,804</u>	<u>7.6%</u>

Cost Adjustment Factors

The ability to accurately project the fund requirements ensures continued fund health and a fund's ability to cover unanticipated cost increases. In preparing cost estimates, departments are given specific direction to apply an approved cost inflation adjustment to existing service costs. Any existing cost that exceeds the granted cost inflation adjustment without a matching source of offset to the cost is presented to the City Manager for specific review. Any new costs to a fund – called service level changes – must be specifically approved in advance by the City Manager through a process identified as “Issue Paper” approvals. (For service level approvals included in the FY04 Adopted Budget, see the Program Budget section of this document.)

For FY04, the following is a list of authorized cost adjustment factors were used to develop the department operating budget.

Personal Services

Cost inflation adjustment - Salaries

- 2.0%: Non-Union
- 2.0%: Oregon Public Employees Union (O.P.E.U.)
- 2.0%: Association of Federal, State, City Municipal Employees (A.F.S.C.M.E.)
- 6.7%: Springfield Police Association (S.P.A.)
- 8.0%: International Associated of Fire Fighters (I.A.F.F.)

Estimated PERS (Public Employees Retirement System) Rate Change:

- 2.65%: Increase in PERS rate to 12.5% PERS (from 9.85% - General Fund)
- 1.79%: Increase in PERS rate to 12.5% PERS (from 10.71% - All Other Funds)

Materials and Services and Capital Outlay

Cost inflation adjust for materials and services and capital outlay

- 1.5% Materials and Services
- Not Applicable Capital Outlay: increases on a request-by-request basis.

Total Department Operating Budget: Personal Services, Materials and Services and Capital Outlay

Changes from FY03 Adopted

In FY04, personal services costs (all City funds) increased 13.7% or \$3,925,093 over the FY03 Adopted Budget. This increase includes \$1.6 million due to statutory and contractual cost increases and \$2.2 million resulting from the passage of the voter approved Fire and Police Local Option Levies (levies contributed 58% of the total increase in personal services). In FY04, total materials and services (all City funds) increased 3.6% or \$714,159 over FY03 adopted budget (funding provided by the passage of the fire and police levies contributed \$363,341 or approximately 50.9% of the total increase in materials and services). Capital Outlay budgets are zero based and exist only if a department can successfully present a request and obtain specific approval from both the capital utilization team and the City Manager. In FY04, total capital outlay decreased by 28.8% for a reduction of \$745,479 from the FY03 Adopted Budget.

Overall operating costs for FY04 Adopted Budget increased 7.6% or \$3,893,773 over FY03 Adopted Budget (the General Fund operating budget increase is \$976,465 or 25.1% of the total increase). Services are delivered by City departments where the operating budget expenditure authority resides. The below table identifies the amount of total operating budget authority by department and a comparison of the department's FY04 Adopted Budget to the FY03 Adopted Budget.

Total City Department Operating Budget, All Funds FY04 Adopted versus FY03 Adopted				
Department Budget	FY04 Adopted	FY03 Adopted	Dollar Change	Percent Change
City Manager's Office	\$ 930,964	\$ 1,068,570	\$ (137,606)	-12.9%
Development Services Department	\$ 4,039,044	\$ 3,928,107	\$ 110,937	2.8%
Finance Department	\$ 1,002,863	\$ 1,024,643	\$ (21,780)	-2.1%
Fire and Life Safety Department	\$12,313,192	\$10,903,000	\$ 1,410,192	12.9%
Human Resources Department	\$ 970,307	\$ 970,789	\$ (482)	0.0%
Information Technology Department	\$ 1,103,137	\$ 1,109,615	\$ (6,478)	-0.6%
Legal and Judicial Services	\$ 1,273,322	\$ 1,108,178	\$ 165,144	14.9%
Library Department	\$ 1,247,053	\$ 1,239,346	\$ 7,707	0.6%
Police Department	\$11,017,746	\$ 9,233,806	\$ 1,783,940	19.3%
Public Works Department	<u>\$20,954,949</u>	<u>\$20,372,750</u>	<u>\$ 582,199</u>	2.9%
Total Operating Budget	<u>\$54,852,577</u>	<u>\$50,958,804</u>	<u>\$ 3,893,773</u>	<u>7.6%</u>

Personal Services Budget, All Funds

FY04 total personal services budget of \$32,552,903 is 23.4% of the City's Total Budget and 59.3% of the City's Operating Budget. As indicated in the below table, growth in personal services is 13.7% over FY03 Adopted Budget.

Personal Services Portion of the Total City Operating Budget			
	FY04 Adopted Budget	FY03 Adopted Budget	Percent Change
Personal Services	\$ 32,552,903	\$ 28,627,810	13.7%

The below table provides the departmental detail to the City's Personal Services Budget for FY04 Adopted Budget and FY03 Adopted Budget.

Personal Services Budget, All Funds FY04 Adopted versus FY03 Adopted				
Personal Services Budget By Department	FY04 Adopted	FY03 Adopted	Dollar Change	Percent Change
City Manager's Office	\$ 497,710	\$ 467,402	\$ 30,308	6.5%
Development Services	\$ 2,616,844	\$ 2,452,083	\$ 164,761	6.7%
Finance	\$ 775,651	\$ 795,602	\$ (19,951)	-2.5%
Fire and Life Safety	\$ 9,973,195	\$ 8,337,770	\$ 1,635,425	* 19.6%
Human Resources	\$ 549,650	\$ 549,108	\$ 542	0.1%
Information Technology	\$ 779,058	\$ 780,581	\$ (1,523)	-0.2%
Legal and Judicial Services	\$ 471,443	\$ 397,541	\$ 73,902	18.6%
Library	\$ 991,266	\$ 950,580	\$ 40,686	4.3%
Police	\$ 9,363,728	\$ 7,737,747	\$ 1,625,981	* 21.0%
Public Works	\$ 6,534,358	\$ 6,159,396	\$ 374,962	6.1%
Total	<u>\$ 32,552,903</u>	<u>\$ 28,627,810</u>	<u>\$ 3,925,093</u>	<u>13.7%</u>

* The voter approved four year local option levies contributed \$2.2 million of the \$3.9 million in increased personal services funding representing approximately 53% of the Fire Department growth or \$864,900; 76.7% of the Police Department growth or \$1,246,512; and \$90,415 increase to Legal and Judicial Services [without levy funding, Legal and Judicial Services would have reflected a decline in funding of (\$16,513).]

Materials and Services Budget, All Funds

FY04 total materials and services budget of \$20,453,393 is 14.7% of the City's Total Budget and 37.3% of the City's Operating Budget. As indicated in the below table, growth in materials and services is 3.6% over FY03 Adopted Budget.

Materials and Services Portion of the Total City Operating Budget			
	FY04 Adopted Budget	FY03 Adopted Budget	Percent Change
Materials and Services	\$ 20,453,393	\$ 19,739,234	3.6%

The below table provides the departmental detail to the City's Materials and Services Budget for FY04 Adopted and FY03 Adopted Budget.

Materials and Services Budget, All Funds FY04 Adopted versus FY03 Adopted				
Materials and Services Budget By Department	FY04 Adopted	FY03 Adopted	Dollar Change	Percent Change
City Manager's Office	\$ 431,558	\$ 597,122	\$ (165,564)	-27.7%
Development Services	\$ 1,400,935	\$ 1,408,062	\$ (7,127)	-0.5%
Finance	\$ 220,187	\$ 218,667	\$ 1,520	0.7%
Fire and Life Safety	\$ 2,153,776	\$ 2,077,207	\$ 76,569	* 3.7%
Human Resources	\$ 407,075	\$ 411,949	\$ (4,874)	-1.2%
Information Technology	\$ 248,659	\$ 260,090	\$ (11,431)	-4.4%
Legal and Judicial Services	\$ 798,085	\$ 705,743	\$ 92,342	* 13.1%
Library	\$ 181,377	\$ 192,364	\$ (10,987)	-5.7%
Police	\$ 1,504,131	\$ 1,227,092	\$ 277,039	* 22.6%
Public Works	<u>\$ 13,107,610</u>	<u>\$ 12,640,938</u>	<u>\$ 466,672</u>	3.7%
Total	<u>\$ 20,453,393</u>	<u>\$ 19,739,234</u>	<u>\$ 714,159</u>	<u>3.6%</u>

* The voter approved four year local option levies contributed \$363,341 additional materials and services funding representing approximately 87.9% or \$67,300 of the growth in Fire Department; 77.9% or \$215,800 of the growth in Police Department; and 87% or \$80,241 of the growth in Legal and Judicial Services materials and services costs.

Capital Outlay Budget, All Funds

FY04 total capital outlay budget of \$1,846,281 is 1.3% of the City's Total Budget and 3.4% of the City's Operating Budget. The FY04 capital outlay budget is \$745,479 less than FY03 Adopted Budget which is a reduction of 28.8%.

Capital Outlay Portion of the Total City Operating Budget			
	FY04 Adopted Budget	FY03 Adopted Budget	Percent Change
Capital Outlay	\$ 1,846,281	\$ 2,591,760	(28.8%)

Detail to this table follows.

The below table details the overall reduction of provides the departmental detail to the City's Capital Outlay Budget for FY04 Adopted and FY03 Adopted Budget.

Capital Outlay Budget, all Funds FY04 Adopted versus FY03 Adopted				
Capital Outlay Budget By Department	FY04 Adopted	FY03 Adopted	Dollar Change	Percent Change
City Manager's Office	\$ 1,696	\$ 4,046	\$ (2,350)	-58.1%
Development Services	\$ 21,265	\$ 67,962	\$ (46,697)	-68.7%
Finance Department	\$ 7,025	\$ 10,374	\$ (3,349)	-32.3%
Fire and Life Safety	\$ 186,221	\$ 488,023	\$ (301,802)	-61.8%
Human Resources	\$ 13,582	\$ 9,732	\$ 3,850	39.6%
Information Technology	\$ 75,420	\$ 68,944	\$ 6,476	9.4%
Legal and Judicial Services	\$ 3,794	\$ 4,894	\$ (1,100)	-22.5%
Library	\$ 74,410	\$ 96,402	\$ (21,992)	-22.8%
Police	\$ 149,887	\$ 268,967	\$ (119,080)	-44.3%
Public Works	<u>\$ 1,312,981</u>	<u>\$ 1,572,416</u>	<u>\$ (259,435)</u>	-16.5%
Total	<u>\$ 1,846,281</u>	<u>\$ 2,591,760</u>	<u>\$ (745,479)</u>	<u>-28.8%</u>

Full Time Equivalent (FTE), All Funds

The number of full time equivalent (FTE) positions in the FY04 Total Adopted Budget, all funds, is 398.80 FTE. This represents a net increase of 22.85 FTE from FY03 Adopted, consisting of 33.0 new FTE and 10.15 eliminated FTE. Costs associated with the newly added FTEs were entirely offset by matching revenue sources. Changes in total FTE count are summarized as follows:

- 1.0 FTE: Added during FY03 supplemental budgets (ongoing FTE)
- 9.0 FTE: Added resulting from the voter approved Fire Local Option Levy
- 22.0 FTE: Added resulting from the voter approved Police Local Option Levy
- 1.0 FTE: Added by the Budget Committee
- (10.12) FTE: Eliminated during the FY04 General Fund budget balancing process
- (.03) FTE: Eliminated FTE - all other funds in the FY04 budget process
- 22.85 FTE: Net FTE Change from FY03 Adopted to FY04 Adopted

FTE by Department and Program, All Funds

The following table provides a comparison of FTE totals by department and then by program area. The total FTE presented includes all budget processes (service level changes, budget reduction strategies, internal reallocation of FTE). (For a more detailed review of the City's FTE, see the Departmental Budget section and/or Financial Summaries and Statistics section of this budget document.)

By Department

Total FTE, All Funds By Department	FY04 Adopted	FY03 Adopted	Change from FY03 Adopted
City Manager's Office	5.00	5.00	0.00
Development Services Department	36.00	36.25	(0.25)
Finance Department	10.50	11.70	(1.20)
Fire and Life Safety Department (*)	107.55	97.55	10.00
Human Resources Department	7.50	8.20	(0.70)
Information Technology Department	9.00	10.00	(1.00)
Legal/Judicial Services (*)	7.55	6.55	1.00
Library Department	14.20	14.20	0.00
Police Department (*)	109.00	93.00	16.00
Public Works Department	<u>92.50</u>	<u>93.50</u>	<u>(1.00)</u>
Total *	<u>398.80</u>	<u>375.95</u>	<u>22.85</u>

(*)FY04 overall change includes the ongoing addition of 1.0 FTE to the Fire Department added on Supplemental Budgets in FY03, 31.0 FTE as part of the voter approved Fire (9.0 FTE) and Police Local Option Levies (20.0 Police Department; 2.0 Legal/Judicial Services) the elimination 10.15 FTE as part of the budget balancing strategy (10.12 General Fund; .03 all other funds),and 1.0 FTE added by the Budget Committee for an overall change in FTE total of 22.85 FTE.

By Program

Total FTE, All Funds By Program	FY04 Adopted	FY03 Adopted	Change from FY03 Adopted
Community Development Program	128.50	129.75	(1.25)
General Government Program	39.55	41.45	(1.90)
Library Department	14.20	14.20	0.00
Public Safety Department	<u>216.55</u>	<u>190.55</u>	<u>26.00</u>
Total	<u>398.80</u>	<u>375.95</u>	<u>22.85</u>